

0-1

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

November 19, 2009

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: 06HD-017

HAWAII

Approval of a Sublease of Private Property between Hualalai Land Corporation and the State of Hawaii, by its Board of Land and Natural Resources, on Behalf of the Department of Accounting and General Services, for Radio Station Purposes, Kaupulehu, North Kona, Hawaii, TMK: (3) 7-2-02: Por. of 1

APPLICANT:

Department of Accounting and General Services (DAGS), Information and Communication Services Division.

LANDOWNER:

The Estate of Bernice Pauahi Bishop, as Landowner and Lessor under a lease agreement with Hualalai Land Corporation, a Hawaii corporation, the Lessee.

LEGAL REFERENCE:

Section 171-30, Hawaii Revised Statutes, as amended.

LOCATION:

Kaupulehu, North Kona, Hawaii, identified by Tax Map Key: (3) 7-2-02: Portion of 1, as shown on the attached map labeled Exhibit A.

AREA:

0.712 acres, more or less.

ZONING:

State Land Use District: Agricultural
County of Hawaii CZO: Agricultural

CHARACTER OF USE:

Install, operate, and maintain a public safety and public service radio telecommunication station facility.

LEASE TERM:

Approximately 15 years commencing on the earlier of the sublease

execution date or the commencement of construction activities on the subleased area and expiring on December 31, 2025.

ANNUAL RENT:

Negotiations between the Department of Land and Natural Resources and the Hualalai Land Corporation, through its counsel, resulted in the following rent schedule:

Commencement date through 12/31/14:	\$1,200/month
01/01/15 through 12/31/19:	\$1,500/month
01/01/20 through 12/31/25:	\$1,800/month

The rent is fixed for the entire fifteen-year term of the sublease in five-year intervals. The rent is similar to that in the Castle and Cooke lease entered into by the Board of Land and Natural Resources in April 2009, on behalf of DAGS for an Anuenue radio station site on the island of Lanai.

On September 22, 2009, the DAGS Comptroller, approved the above rent schedule.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

The Final Environmental Assessment for the subject radio station facility was published in the OEQC Environmental Notice on July 8, 2009, with a finding of no significant impact (FONSI).

DCCA VERIFICATION:

Place of business registration confirmed:	YES
Registered business name confirmed:	YES
Applicant in good standing confirmed:	YES

REMARKS:

DAGS, through its Information & Communication Services Division (ICSD), has the responsibility for carrying out the State's telecommunication functions. DAGS-ICSD owns and operates microwave radio transmission systems, antennas, towers, buildings, and related equipment, communication facilities and infrastructure throughout the islands.

The Kaupulehu radio station facility is one of several facilities that comprise the Anuenue radio system. The system is used only by public agencies for public purposes. There is no commercial use of the facilities. The Anuenue project is a partnership between DAGS and the US Coast Guard. Government users of the system include the State Department of Health, Department of Land and Natural Resources, University of Hawaii, County of Hawaii Police Department, US Department of the Interior and US Coast Guard to name a few. The agencies rely on telecommunications to communicate and transmit information and data between offices and facilities as well as to

communicate with personnel in the field.

State funds will be used to construct the Kaupulehu facility and represents a part of the infrastructure provided by the State to the Anuenue radio system. Other radio station facilities recently constructed by DAGS include sites in North Kohala, Hawaii, in eastern Oahu on Kokohead and in central Molokai at Puu Nana. As part of the partnership agreement with DAGS, the US Coast Guard refurbished its existing facilities at Mauna Kapu on Oahu and at Haleakala on Maui. Additionally, the US Coast Guard constructed new radio station facilities in central Oahu and east Hawaii to accommodate the new digital microwave radio system.

The Kaupulehu radio station facility will significantly upgrade the infrastructure that supports government telecommunications. The facility's proposed location, TMK: (3) 7-2-02: Portion of Parcel 1, is owned by The Estate of Bernice Pauahi Bishop (The Bishop Estate).

The Hualalai Land Corporation dba Hualalai Ranch leases Parcel 1, which contains 7,065 acres, from The Bishop Estate. The lease does not provide for withdrawals of land from its operation. Accordingly, DAGS proposes to sublease the radio station site from Hualalai Land Corporation for the remaining term of its lease expiring on December 31, 2025.

While there are vacant and unencumbered State lands in the vicinity that may be suitable for a radio station facility, they are without access and utilities. Access and electrical power is available to the subject site due to the previous developments by the Hawaii Electric Light Company and Hawaiian Telcom of their radio station facilities, which are in very close proximity to the subject site.

RECOMMENDATION:

That the Board approve entering into a sublease with the Hualalai Land Corporation on behalf of the Department of Accounting and General Services covering the subject area under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:

1. Review and approval by the Department of the Attorney General.

November 19, 2009


2. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.


Respectfully Submitted,

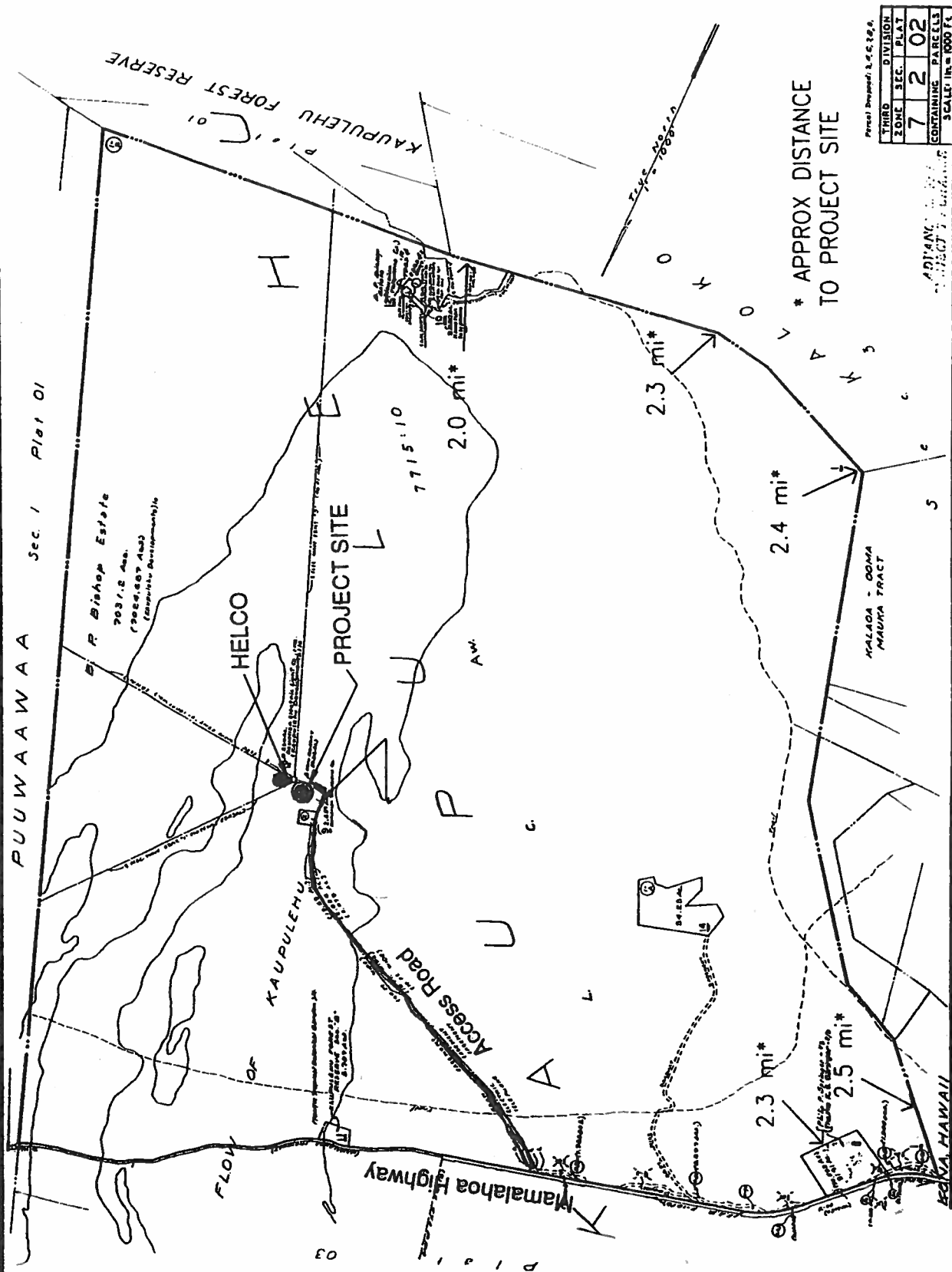


Gary Martin
Land Agent

APPROVED FOR SUBMITTAL:



Laura H. Thielen, Chairperson 



INFORMATION COMMUNICATION SERVICES DIVISION ANUENUE RADIO SITES AND TOWERS, KAUPULEHU SITE

FIGURE 1.3

TAX MAP KEY



**WILSON OKAMOTO
CORPORATION**
ENGINEERS | PLANNERS | CONSULTANTS